Marketing Healthcare Centers & Hospitals
Session 11
Promotion Mix

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Marketing Communication Mix
or Promotion Mix = IMC

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Advertising

Advertising may be defined as any directly paid form of non personal presentation of goods, services, or ideas by an identified sponsor.

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Advertising

No element of the marketing mix has been more visible in health care than advertising.

In recent years the growth of resources committed to this aspect of the marketing mix has been substantial.

In 2005, more than $25 billion was spent annually on health care advertising.

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Advertising

Consumers recognize that hospitals are really not different from other products.

Concerns have long been raised regarding health care advertising.

However, consumers are somewhat suspicious of hospitals that do advertise ,and question why those with good reputations need to engage in this practice.

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Common Classifications of Advertising

There are many forms of advertising, the two most common classifications are product and institutional.

Product advertisements focus on a particular product or service.

Institutional advertisements build up or enhance an organization's image rather than a particular product.

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Institutional Advertising

Institutional advertising :

Is frequently used in health care.

These advertisements are used to build & enhance the public's image of a particular organization.

There are several variations of institutional advertising, some introduce or announce the opening of a new company or facility.

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Product Advertising

Product advertising can assume one of several forms: informational, competitive, or reminder.

1.Informational advertisements are used in the early stage of a new product or service introduction.

These advertisements help to explain the service, how it can be accessed, or its objectives.

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Product Advertising

2. **Competitive product advertisements** are persuasive they try to generate selective demand for the organization's service over that of competitors.

In traditional industries, this form of advertising compares competing products.

Competitive advertisements are not that common in the health care industry.

3. **Reminder :**A final version of product advertising is purely reminder.

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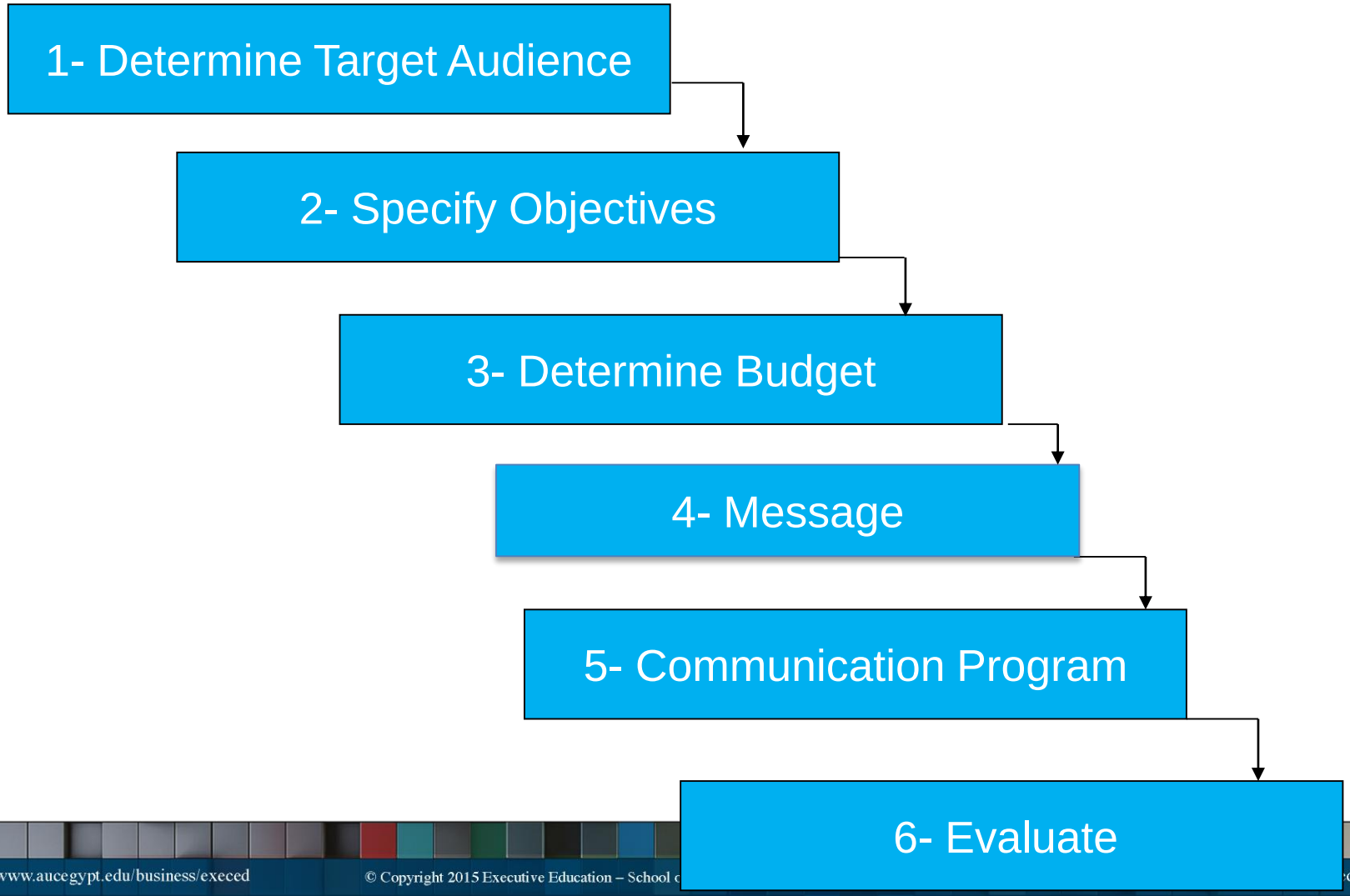
Developing the Advertising Campaign



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1.Define the Target Audience

-Essential to a successful media plan is the first step;

a definition of the target audience.

-The target audience is the group or groups that the organization is trying to reach.

-This step is an organizational decision, determined by earlier market research and based on prior market segmentation decisions.

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Define the Target Audience

As in the earlier discussion of market segmentation,

a target audience description will include demographics and, attitudinal profiles and lifestyle descriptions.

Upon defining the target audience, the media plan must then specify the advertising campaign's objectives, budget, message, and manner for evaluation.

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2.Determine The Advertising Objectives

-Advertising objectives are critical to any successful campaign.

-In setting objectives, it is best to consider how advertising works.

-These stages include: awareness, interest, evaluation, trial, and adoption.

Relative advantage, Compatibility, Complexity, Divisibility, Communicability.

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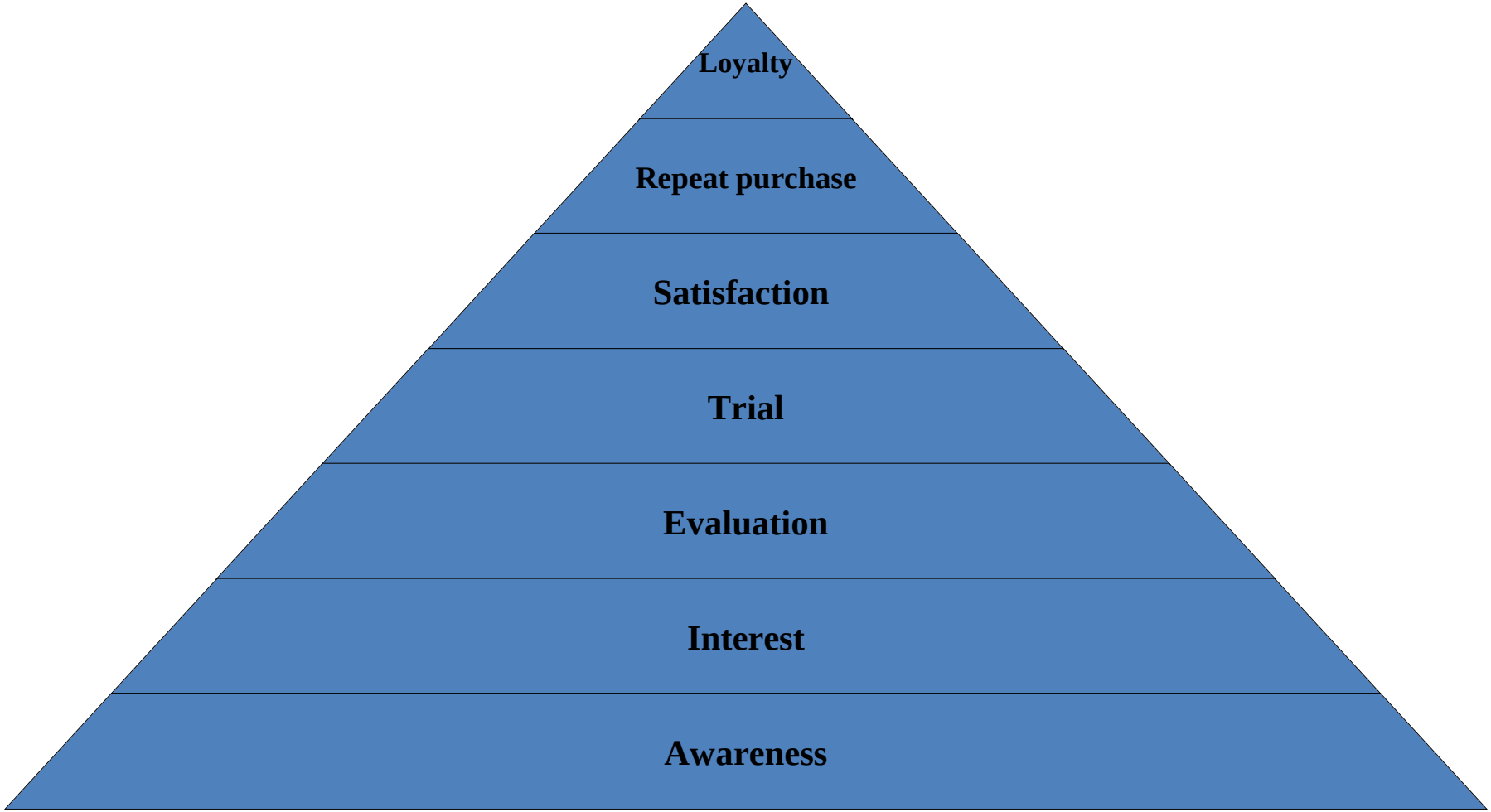
Determine The Advertising Objectives



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Awareness

This level of the hierarchy is necessarily the first.

The consumer must recognize the advertisement or be knowing of the fact that it exists.

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Interest

After developing initial awareness, a consumer must have some inclination to seek additional information about the product.

The organization's goal at this level of the hierarchy is to provide some information that will motivate further deliberation or action.

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Evaluation

Before consumers will buy a product or seek out a service from a particular provider, they must compare that product or service with other available options.

Organizational advertising must include dimensions that are important to the target market.

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Trial

The initial use of a service is called trial. Advertising can only move a person to this level of the hierarchy.

In order to have repeat purchases, a service must meet the customer's expectations.

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Adoption

This is the highest level of the hierarchy and the ultimate goal of advertising.

The stage at which the customer becomes a regular user.

If trial was satisfactory, reminder advertising plays an important role in this level of the hierarchy of effects.

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3.Determine The Budget

-Several methods can be used to determine the appropriate amount to spend on advertising.

-Because there is no absolute formula, these methods tend to include one of the four following categories (advantaged & disadvantages):

1-Percentage of sales

2-Competitive parity

3-All you can afford

4-Objective and task

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Percentage of Sales

This method involves determining a fixed percentage of sales or revenue to use as the basis for advertising allocations.

Example: a hospital might decide that 1.5% of last year's net revenue will be allocated to the current year's advertising.

The **advantage** of this method is its **simplicity**.

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Percentage of Sales

Limitations

In spite of these advantages, however, this method has an inherent flaw, it implies that sales or revenue causes advertising.

Advertising should be seen as contributing to sales, not the other way around.

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Percentage of Sales

Using this method, a company would reduce advertising expenditures when sales drop.

In fact, this may be the period when additional monies must be spent to generate new sales.

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Competitive Parity

Competitive parity is common in industries where there is a significant amount of trade date.

The hospital sets the advertising budget based on industry norms or what it perceives the competitor is spending.

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Competitive Parity

Limitations

Expect for consideration of the competitor, the logic of this method is weak.

The competitor is trying to reach a different target market or has different goals.

Moreover, this method assumes that the competitor knows what it is doing.

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All You Can Afford

This approach is obvious by its name.

Common to organizations that really don't believe in the value of advertising, it involves first allocating the budget to all important operations within the organization.

If any money is left over, it might then be allocated to advertising

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Objective and Task

The most appropriate way to determine the advertising budget.

The objective and task approach involves setting objectives along the hierarchy of effects and determining the tasks necessary to accomplish these objectives.

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4.Develop the Message

-The fourth step in designing the advertising program is the development of the message.

-**Marketing research** is essential at this stage to determine the attributes that are important to the consumer**.**

-In developing these messages, varying appeals are often used, including:

-**Rational** e.g……

-Emotional e.g……..

-**Moral/Social appeals**

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5.Specify the Communication Program

Once an advertisement's message is developed and pretested, the next step in the advertising campaign is to select the appropriate medium and vehicle for delivering the message to the target market.

Medium refers to the form of communication selected, such as newspapers, radio, television, direct mail, or magazines.

Related to this decision is determining the timing (scheduling) of the messages to be communicated.

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Scheduling

There are many variations by which an advertising campaign can deliver messages, the three most common are :

1-Seasonal

heavier amounts at the onset of the peak demand period

2-Steady

maintaining the same level of advertising through the selected period

3-Fighting

which involves a heavy amount of advertising for short time periods

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Seasonal

Some products and services have a seasonal pattern to their demand.

Example: cold medicines have heavier demand in the winter months.

Advertising, therefore, is scheduled in heavier amounts at the onset of the peak demand period.

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Steady

This schedule involves maintaining the same level of advertising exposure through the selected time period.

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Fighting

A common advertising schedule is called fighting, which involves a heavy amount of advertising for short time periods.

The logic of this approach is that advertising will have sufficient carryover effect to maintain awareness when there is little or no advertising.

The risk of losing product awareness is represented by the gaps before the next burst in expenditures.

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Picking the Right Medium

Advertisers have a variety of media from which to choose to place their message.

Each of these media has distinct characteristics that must be assessed in the final advertising plan.

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Types of Media Available

- Broadcast - TV & Radio
- Print - Newspapers & Magazines
- Outdoor - Billboards & Transit

- New - CD, Internet, etc
- In-Store - POP & packaging
- Other - Cinema, product placement, exhibitions, etc

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Television

Of all media available, **television** has the advantage of communicating **sight, sound, and motion.**

These components afford the potential advertiser significant flexibility in the creation of the advertising copy.

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Radio

Also, on a cost basis, radio compares very favorably to television.

The production of radio ads can usually be completed in a short time period.

A final major advantage of this medium that it reaches consumers out of their home.

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Radio

Radio's major limitation is its lack of a visual means of communication.

The advertiser must also accurately identify the radio station that attracts its particular target audience.

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Newspaper

Of all media available, newspapers receive the most advertising money.

In health care, this medium has been popular because the strength of newspapers.

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Magazines

Few media have grown as dramatically in recent years as magazines.

A vast array of specialized publications enable the organization to target a specific market segment.

Thus, advertisers who know their target market are able to spend their advertising money efficiently.

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Magazines

Magazines have other advantages beyond the selectively that they can deliver.

Many publications have a long shelf life, meaning readers will keep them for weeks months.

The quality of the printing and color separation in magazines far surpasses anything achieved to date by newspapers.

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Outdoor Advertising

Outdoor media consists of a couple of variations, namely **billboards** .

Because of space and time exposure limitations for these media, outdoor advertising is typically viewed as a **supplemental** medium to support exposures in other media.

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6.Evaluate the Response

Testing of advertising effectiveness occurs at two stages (pre & post testing)

The first form of evaluation-pre testing ensures that the target audience receives the message in the way it is intended.

Pre testing also determines preference and attention-getting value.

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Evaluate the Response

Companies often assess whether the advertising campaign has resulted in a change in attitudes toward the product or service being promoted through the use of surveys and post test attitudes tests.

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Ethics in Advertising

Few aspects of marketing were of greater concern to health care professionals than the onset of advertising.

Because of the sensitive nature of health care and the often risky position of the health care buyer,

there is sensitivity to the use of this tool.

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